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ONE YEAR OF POTSDAM

By Alexander Boeker

On August 2 the Potsdam Declaration was one year old. This month is, therefore, a suitable time to consider the accomplishment of a program which, at the outset, received widespread acclaim.

Fantastic though the effort may be, Americans will best understand the meaning of Potsdam if they picture a parallel for their own country. This means an assumption that the Axis Powers, after winning the war, had occupied the United States by Four Power agreement: German and Japanese armies meeting along the banks of the Mississippi; Italian troops stationed in the Southern States; Hungarians in possession of New England. We must also assume that almost all cities of over 50,000 inhabitants are laid waste, the communications system largely destroyed, and stocks of food and industrial raw materials exhausted.

The victorious Axis leaders -- to continue the hypothesis -- then met at Mount Vernon and agreed upon the following edicts: The United States to become a primarily agricultural country. Industries convertible to war production to be destroyed or dismantled for reparations. Output of all other industries to be restricted to the level prevailing in 1932; selected as the worst depression year. Until 1949 no locomotive to be manufactured. All foreign assets to be confiscated. "In order to eliminate [America's] war potential, the production of . . . all types of . . . seagoing ships shall be prohibited and prevented."

The hypothetical Mount Vernon Declaration further permitted Japan and its Asiatic satellites to annex all Western States as far as the wheatlands of Kansas, Nebraska and the Dakotas. All Americans in the annexed areas, numbering about one-fourth of the population of the United States, were within a year expelled from their homes and, "in an orderly and humane manner", deported to the Eastern States. Asiatic settlers moved into the evacuated territories.

The Mount Vernon Declaration, keeping the parallel exact, would also have stated that the Axis leaders did not wish to "destroy or en-

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slave" the American people, but desired merely to educate them in the political philosophies of the victors. The American people, in the words used at Potsdam, shall "be given the opportunity to prepare for the eventual reconstruction of their lives on a . . . peaceful basis. If their own efforts are steadily directed to this end, it will be possible for them in due course to take their place among the free and peaceful peoples of the world."

II

As soon as the signatures of Hitler, Mussolini and Hirohito were dry on the Mount Vernon Declaration, the work of dismantling all shipyards along the East Coast began. In Pittsburgh and Gary, blast furnaces and steel mills were blown up. Machine shops and even many fertilizer plants were shut down. Unemployment spread. In the rubbled cities famine took a heavy toll of the aged and the very young, while everywhere (as in Germany today) the death rate rose far above that of births. Millions of deportees from California, Oregon and Nebraska trudged along the highways unable to find food, shelter or employment. A large proportion of the defeated American army was held captive, in defiance of international law. Special courts were set up to eliminate from public life all political, intellectual and business leaders associated with the Roosevelt Administration.

It need not be emphasized that such a policy would spell slow death for millions of Americans; that the millions of homeless refugees would become an unassimilable and dangerous social flotsam; that the destruction of industries would bring not only immeasurable misery to the United States, but also poverty to Latin America and Canada, to Great Britain and, in the long run, even to Germany and Japan, the hypothetical victors. The economics as well as the politics of this nightmare program would prove unworkable.

Nationalistic resentment would rise to fever-pitch. In their rage and frustration, Americans would seek to ally themselves with one of the occupying Powers against the others. Whether from greed or fear, the victors themselves would divide into hostile camps, having at last a common frontier over which to fight.

One may agree that the diseased mind of a Hitler, had he conquered, might well have contrived a program as universally destructive as this imaginary Mount Vernon Declaration. But it is not much of a recommendation for Potsdam, of which an exact parallel has been sketched, to say that this program flatters the Nazis by imitation.

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III

The Potsdam program is unworkable because it is based on fundamental errors: economic, political and psychological.

The idea of a regimented economy geared to minimum rather than to maximum production is a self-defeating absurdity. The experiment now carried out in Germany shows that such a minimum economy inevitably sinks even below the level envisaged. That is because it fails to call forth the physical and psychological forces which only the prospect of improvement and expansion can muster. It is difficult to imagine a program more wholly alien to American philosophy.

Furthermore, there is no land on which to settle the millions of refugees from Eastern Germany; there are no longer any industrial openings to absorb them; there is no provision for the employment of millions made jobless by the dismantling of factories.

The "level-of industry plan", drafted by the Four Powers to implement the Potsdam Agreement, neglects completely the enormous need for urban reconstruction. It gives no incentive to the farmer to produce beyond his own needs, since he can get no consumer goods in return for his surplus. There is no incentive for the workers to work, or for employers to engage in business which is foredoomed to failure.

Politically, the recognition of mass expulsion of populations, as a legitimate means of solving international and interracial difficulties, is dynamite. The evil precedent set by the Nazis in their treatment of the Jews is now sanctified by those who fought Nazism. Henceforth no minority anywhere can feel safe. What happens to the Sudetens and Eastern Germans today could happen tomorrow to Moslems in India; to Jews in Palestine; to Whites in South Africa; to Negroes in the United States. Potsdam has given racial deportations a dangerous aura of respectability.

Psychologically it would have seemed only common sense on the part of the Allies to differentiate their policies from those of the Nazis. Unfortunately, the opposite has all too often been the case. One need only read Justice Jackson's indictment of the Nazi leaders to realize that there are few counts on which some Allied leaders are not equally guilty. Late though it be, there is perhaps still time to make a clear decision on whether the Allied objective in Germany is blind vengeance or thoughtful re-education. The two are mutually incompatible.

IV

What is the status of Potsdam as the Declaration begins its second year of operation? The following provisions are being carried out:

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territorial dismemberment; expulsion of populations; deindustrialization; denazification. All these measures, it will be noted, are of a negative character.

Unfulfilled are the following provisions: economic unification of Germany; establishment of central administrative departments; development of German exports to pay for food imports; maintenance of a standard of living approximately equal to the European average; political and press freedom. This list contains all the positive provisions of Potsdam.

Moreover, there has been flagrant and continuous violation of those clauses which give a veneer of decency to the terms of the Declaration. It gave assurance that the deportations would be carried out "in an orderly and humane manner" and "having regard to the present situation in Germany". In fact, they are taking place under conditions of sheer barbarism and accompanied by appalling loss of life. The Declaration promises not to enslave the German people, yet more than 5,000,000 German prisoners of war are still doing forced labor throughout Europe and in Siberia. Potsdam promised political freedom to democratic parties, but Russia is pressuring these parties into submission to totalitarian Communism and is imprisoning their leaders in the reactivated concentration camps of Buchenwald and Sachsenhausen.

Last but not least, one may well question whether starvation diets of from 900 to 1200 calories, and an urban infant mortality rate of 50 per cent and over, are compatible with the statement that "it is not the intention of the Allies to destroy or enslave the German people".

It has often been argued that Potsdam, despite its defects, must be upheld because it is the only possible basis for Four Power unity. The logic of that argument grows daily less impressive. An agreement which has been demonstrated to be unworkable except in its negative aspects, and which is bound to perpetuate what Mr. Sumner Welles has called "the cancer of Europe", can hardly provide solid ground for Allied unity.

The Soviets are in any case pursuing a German policy in sublime disregard of the Potsdam Agreement. If England and America continue to apply their policies in the interest of a fictional Allied unity, they will merely admit a Trojan Horse to their own backyards. Hunger, unemployment and continued national humiliation are the most potent pacemakers of totalitarianism. They once lifted Nazism into the saddle and they are now working overtime for its twin brother, Communism.

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Not Merely Gossip *A Supplement to* Human Events VOL. III, NO. 33

By Frank C. Hanighen August 14, 1946

President Truman has received from four Government bodies comprehensive and careful reports which paint a very pessimistic picture of the international situation. The four are War, Navy, Joint Chiefs of Staff and State Department. Reluctantly, but after a thorough canvassing of opinions from their agents abroad and prayerful discussion of the possibilities, all reached the same conclusion ---- that war with Russia must be regarded as almost inevitable, sooner or later, but probably later.

The above information, received from one reliable source and confirmed by others, is by no means "top secret". On the contrary, some government circles have been inclined to encourage rather than discourage its publication, although it is not likely that the White House or other departments will officially disclose the subject matter or character of these four reports. Little publicity has so far been given them in the press, possibly because such disclosures would undermine not only the morale of business in particular, but of the people in general. Nevertheless, prominent, well-informed individuals have not hesitated to sound the alarm. Two such diverse figures as former President Hoover and Senator Pepper both emphasized, on the same day (August 13), the dark prospect of another war.

This does not mean that the Government will falter in its efforts to prevent such a calamity, through all the avenues of diplomacy; in the UN, the Atomic Council and at Paris. But it does mean that the armed services are more urgently proceeding with anticipatory measures. It is reported that War and Navy have started to give "pilot" and "educational" orders to various industrial firms; and that of the Government plants now being sold to private industry some portions are being withheld as "shadow factories". Undersecretary of War Kenneth C. Royall publicly stated on August 10 that the Government was starting "immediately" to build up a $2,100,000,000 stock-pile of "critical materials we would need first in an emergency", an utterance reminiscent of 1940-41. These are the first visible signs of the Government acting on the above gloomy forecast of the four "ancestral voices prophesying war".

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A novel theory about the fall elections has gained some currency in the gossipy cloakroom of the Senate Minority. It concerns the possibility of the GOP winning a majority in the Upper House. This does not mean that the Republicans have discounted a victory in the elections for the Lower House. They have not been impressed by the successful Truman purge of Congressman Slaughter in the Kansas City primaries last week. They point out that Roosevelt similarly purged Congressman O'Connor in the 1938 primaries, but the Republican defeated the Democrat in the November balloting in O'Connor's district. Republicans do recognize, however, that the CIO-PAC has made a better showing than expected a few months ago; and they are less confident of winning urban constituencies. Perhaps, therefore, some compensatory need has inspired the rather surprising claim that the Republicans have a better chance to win the Senate than the House.

This theory is based on a belief that votes from the rural areas, more likely to be affected by the anti-Administration tide, can swamp the pro-Administration votes in the urban areas, in the state-wide Senatorial contests. The Republicans buoyed by this conviction cite 16 elections for Senators next fall (all, of course, in northern or border states) where they think Republican candidates have a chance to capture seats now held by Democrats. These states are: Arizona, Delaware, Mary-

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land, Massachusetts, Missouri, Montana, Nevada, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, Utah, Washington, West Virginia and Wyoming. Republican-held Senate seats being challenged by Democrats this year are in California, Connecticut, Indiana, Maine, Michigan, Minnesota, Nebraska, North Dakota and Wisconsin. All of these, save possibly California and Connecticut, are considered safe for the GOP.

The Republicans need a net gain of only nine seats in the Senate to enjoy a majority. This fact increases their hope in view of the results of the last off-year (1942) election when the Republicans gained 10 Senate seats. In these dog days some, here in Washington, find this reasoning persuasive; but others dub it a "high-ball hypothesis".

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Behind the depressing admissions of General Marshall and Ambassador Stuart last week -- that a peace settlement in China seems "impossible" -- lies a military power situation never adequately made clear in the press. The breakdown of the American attempt to reconcile Nationalists and Communists in China reportedly stems from the Communists' refusal to merge their armies with those of the Nationalists without an over-all political agreement. Many months ago this column warned that despite all political negotiations the question of war and peace would hinge on a successful merging of the armies. In short, if either Nationalists or Communists felt that their military power were threatened by the merger, all bets would be off.

Now it is obvious that the Communists fear the merger. But it is also true that Chiang for his part cannot risk any curtailment of his military power, which is already strained. The Generalissimo miscalculated in September, 1945, at the end of the war. At that time American diplomats urged him to play safe and ask for a Five Power (United States, Britain, France, Nationalist China and Russia) occupation of Manchuria. With the rest of his forces he could then easily restore his regime in the South. Later he could take over a well pacified Manchuria. Otherwise, said the Americans, the Nationalist forces would prove inadequate for the reconquest of both Manchuria and the rest of the country.

But Chiang did not heed the advice. He may have felt that the Roosevelt deal at Yalta prevented him from asking for a Five Power occupation of Manchuria; or he may have been too much impressed by the unexpectedly prompt surrender of puppet troops to his forces and the capture of large amounts of Japanese material. In any case, he tackled the job both in Manchuria and China proper. Before the Spring of 1946, he became aware of his error and reportedly was willing to reconsider the Five Power occupation of Manchuria. Mr. Byrnes learned of Chiang's change of mind and, when he last set out for Paris, had the intention of bringing up the matter with Molotov -- not, however, with much hope of success.

Short of some such arrangement -- admittedly a faint hope -- either complete withdrawal of American troops, or their strong reinforcement, is being debated in the Pentagon. We now have in the neighborhood of 40,000 men (Marines and Army) in China. We would need to increase this to 200,000, if our mission were to establish for Chiang a strong defensive base north of the Yangtze from which he could sally forth to clean out the Communists in areas which they hold.

Withdrawal of all our troops is demanded by Communist and fellow-traveller elements in the United States, but not by them alone. It should be noted that two Senators, Ellender (La.) and Butler (Nebr.), both of whom are conservative and anti-Communist in their views, on August 10 called for evacuation of our forces from China. These Senators have just returned from a Congressional inspection trip in the Far East.

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While the press has given undue prominence to recommendations for revision of the Wagner Act, by resigning NLRB member Gerard Reilly, it seems to have underplayed

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the importance of the President's stand on the Case farm machinery strike. Reilly, it is pointed out, has been critical of the way NLRB has been working for some time, and his exit-door advice is just "more of the same", without materially affecting the chances of reforming that labor statute. But when Truman announced on August 12 that the Government would not seize the J. I. Case plant in Wisconsin, closed by a strike for many months, he dealt a bitter blow to the CIO and to Secretary of Labor Schwellenbach, and set a limit to the policy of Government seizure of strike-bound plants. This policy has caused much alarm in industry and no little satisfaction among some labor union leaders. Far more behind-the-scenes pressure has been exerted by Labor on Government in the Case dispute than has been generally realized, and Truman's statement could have repercussions. The CIO might conceivably retaliate with "sympathy" strikes in other agricultural machinery plants, or with threats to the President and his Party in the political field. And Secretary of Labor Schwellenbach, who called for seizure of the Case plant, and who is reportedly aggrieved because OWMR chief John Steelman is playing an overshadowing role in the Administration's Labor policy, might resign a post which he has never enjoyed.

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Byron Price, the able head of the Office of Censorship during the war, planted a time bomb which may destroy one of the bastions of Federal bureaucracy. Before Price resigned, he felt strongly that the files of Censorship documents, letters, etc. should be reduced to a minimum, instead of occupying precious floor space and file cabinets and wasting clerical staff servicing the detritus. These Censorship files took up 4800 square feet of floor space. Mr. Price went to work, destroyed obsolete papers, had the rest microfilmed, reduced the file space to 40 square feet. His action points the way to one of the most important sources of economy in the current, but as yet largely verbal, drive of President Truman to decrease the Government budget.

Federal Government records now occupy space, according to some estimates, equivalent to that of seven Empire State buildings, or four Pentagon buildings. A mass of paper and metal file cabinets is smothering the Government at the rate of 2 million cubic feet a year. So packed is Washington with records, that vast quantities have been shipped and stored in remote cities in the country. It is estimated that there are 22 million cubic feet of Government records, occupying 20 million square feet of floor space, with a service payroll of $400,000,000 annually. Today the records of abandoned agencies such as the National Youth Administration, Civilian Conservation Corps and Central Administrative Services continue to monopolize office space, equipment and personnel. Then there are Lighthouse Service files dating back to the Nineteenth Century, veterans' records from the Grant Administration to date -- and so on, ad infinitum.

Microfilming records has become a widespread practice in private business, resulting in impressive savings. Engineers say that this process, if applied to Government records, would make the following savings: reduction in personnel -- 80,000 persons; release of floor space -- 16 million square feet; release of equipment -- 1,350,000 cabinets; an economy of about $400,000,000. There was, therefore, good reason for two orders from President Truman, issued last April, to reduce excess files. Byron Price showed the way. But in Washington no one familiar with the resistance of bureaucracy to economy has any illusions that the task will prove easy.

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A considerable increase in Communist activities in the Belgian Congo has been noted, although none is reported in the adjoining territory of Angola, Portuguese West Africa. This is explained by the fact that the principal source of uranium for American manufacture of atom bombs is in this Belgian colony.

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Notes and Quotes

Not all trade unions deified Mr. Chester Bowles as head of OPA nor mourn his bureaucratic death. The following obit on Bowles' career in OPA comes from the District 50 News of the United Mine Workers: "It was a foregone conclusion of those in the know that when President Truman entrusted the management of legislating the continuance of the OPA, unimpaired for another year, to Chester Bowles -- probably the most despised by consumer, distributor and manufacturer, to say nothing of congressional hate, of any man in Government service -- that the OPA was on the road to certain death. As might have been expected, Bowles bowed out, leaving President Truman holding the bag. Bowles quit his job but didn't quit his gab. He continued in the role of a yelping, bluffing bigot, evidencing unmatchable egotism at every turn of events. . . .

"Bowles knows nothing of productive work. He is destitute of understanding as to how the economic production and distribution machinery of the Nation revolves. . . . Bowles was typical of the unrooted pavement parasites who live like orchids in hot air.

"The idea of entrusting price control to phrase carpenters, word jugglers and paper shufflers is the symptom of what's the matter with America today."

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A New York book publisher was telling us only yesterday how Communists and fellow travellers among his firm's staff of readers had written adverse reports on, and prevented publication of, perfectly eligible manuscripts which criticized and exposed Russian policies. The following suggests that in England the totalitarian element also exercises a censorship.

"Fifteen years ago, when one defended the freedom of the intellect", writes George Orwell in Polemic, "one had to defend it against Conservatives, against Catholics, and to some extent -- for they were not of great importance in England -- against Fascists. Today one has to defend it against Communists and 'fellow travellers'. One ought not to exaggerate the direct influence of the small English Communist Party, but there can be no question about the poisonous effect of the Russian mythos on English intellectual life. Because of it, known facts are suppressed and distorted to such an extent as to make it doubtful whether a true history of our times can ever be written."

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Behind the headlines in China, as a Chinese friend described it in a letter: "You might be surprised to learn that from the viewpoint of the citizen like me, the civil war is not very important in our lives. The two most pressing problems are transportation and the state of the general economy. Transportation is probably the most pressing. It was with the greatest difficulty that I succeeded in seeing the interior. It was only after a constant battle of using "face" and influence and if necessary money, plus infinite patience, that I got anywhere. . . . For instance, I wanted to visit the Central Hospital in Chungking, which is about 10 miles from town. So, I start borrowing a car, getting a chauffeur, finding gasoline (on the black market), then going there, and hoping in all this that the car does not break down as it often does. As a result a lot of time is wasted in just getting around. Even in Shanghai, where there are trucks, jeeps, etc. it is almost impossible to get around . . . nothing much gets done even though a lot of time is spent doing it.

"The general economic problem is even more difficult. China is in the midst of an inflation. . . . It cost me about $80,000 a month to live when I first arrived in Shanghai. Now it costs me $150,000 a month. And all this not counting my food and lodgings which I get free as I'm living with relatives."

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